
DESCRIPTION

This plan allows eligible employees who are double covered for health insurance through another group health plan a choice between continuing nontaxable health coverage under one of the City's health insurance plans, or dropping the City's coverage and receiving a taxable in-lieu cash payment.

PAYMENT / TAXES / PLAN YEAR

Effective September 18, 2011, eligible employees represented shall receive the following Health In-Lieu rate:

Family - \$221.84
Single - \$89.09

Payment will be through the employee's regular bi-weekly payroll check. Payment is taxable, and subject to tax withholding. The Plan Year on which the Plan operates (including elections and payments) is the calendar year.

ELIGIBILITY

Full-time and Reduced Work Week (35+ hours per week) employees, who certify that they have alternate group coverage, and who provide proof of alternate group coverage which is acceptable to the City of San José upon request, are eligible for the Plan.

Eligible employees represented by ABMEI, ALP, POA, AEA, AMSP, CAMP, CEO, IBEW, MEF, OE#3 and Unrepresented employees who receive healthcare coverage as a dependent of another City employee or retiree are not eligible for the Family In-Lieu plan. He or she may elect the Single In-Lieu plan. Employees on an unpaid leave of absence are not eligible for the Plan and in-lieu payments.

ENROLLMENT / ELECTIONS

Eligible employees may enroll on-line through eWay during the annual open enrollment period (typically held in November). The Plan and in-lieu payments will become effective on the first day of the following calendar year. New employees have 30 days from the date of hire to enroll. Enrolled employees need not renew enrollment every year; unless informed otherwise, the City will automatically renew enrollment. Employees may apply for Health In-Lieu during the year only if they become eligible due to a Change in Family Status, and you must apply within 30 days of the date of that change. A Change in Family Status is defined as follows:

- Change in marital status – marriage, divorce, or legal separation
- Change in dependent status – birth, adoption, legal guardianship, or death
- Change in work status (either employee or employee's spouse) – termination of employment, commencement of employment, or change between part-time and full-time employment

Employees may cancel enrollment during the open enrollment period only, except as noted below. Cancellation during the open enrollment period will become effective on the first day of the following calendar year. Enrollment in any of the City's plans during open enrollment shall be subject to the City's standard enrollment procedures.

IF ALTERNATIVE COVERAGE IS LOST

If the alternative health coverage is lost prior to the annual open enrollment period, the employee must notify the City immediately. The City must receive the required enrollment form and written verification of lost coverage from the former provider (employer, group or insurer) **within 30 days of the loss of coverage. Also within this 30-day period the employee must pay all unpaid premiums and refund any excess in-lieu payments which were received** to be restored to a City health insurance plan of his or her choice on the date when alternate coverage terminated. Proof of eligibility will be required for any dependent that was not previously covered by a City health or dental insurance plan.

AMENDMENT OR TERMINATION

The City of San José reserves the right to amend or terminate the Plan at any time, subject to applicable collective bargaining agreements.